

MOOKGOPHONG LOCAL MUNICIPALITY



2010/2011 ANNUAL REPORT

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CHAPTER 1: INTRODUCTION AND OVERVIEW

1.1 MAYOR`S FOREWORD

The financial year 2010/11 was an interesting year for all employees in South Africa. The financial year was not only intercepted by hosting 2010 Soccer world cup but it also marked the closure of third sitting of the local councils.

The RSA Constitution has placed huge responsibilities on the municipalities. As the sphere closest to the the people, service delivery is the core function of the municipality. The communities demand that the services of water, electricity and sanitation must also be of good quality.

It is proper at this time to reflect on the performance of the municipality and in the process draw lessons from the year that has passed. The challenges were not only serious but were also deep. The preoccupation has been to improve the image of the municipality in the eyes of the community especially on financial viability and management.

No effort was spared to try to change the disclaimer audit outcome –which outcome has bedeviled the municipality for the past seven years. The issue good governance was elevated to a higher level. All municipalities that obtain clean audits depend on leadership and good governance principles. By the end of June 2011 at least 915 of audit queries were resolved. For the first time the municipality would not use a service provider to draw its annual financial statements.

The IDP document shows that there are no serious backlogs in the municipality. The municipality in its endeavours obtained position 2 in the sanitation competition hosted by Department of Water Affairs. This an award which tells all of us that can also perform well in other areas.

Council has deliberately put more emphasis on issues of performance management. The performance sessions which were held revealed some of the weaknesses which need attention in the new financial year. A lot was done to ensure that both the 2011/12 IDP and the 2011/12 budget are credible.

The new council has breathed fresh air on the municipality. The municipality is determined to earn its respectable position amongst the other municipalities of Waterberg District Municipality. The curtain of time on clean is closing and everybody must do things in such a way that it will help the municipality to achieve this noble objective. The vision statement of the municipality has it all. All must work hard, smart

and in tandem with the values and mission of the municipality. It will require that councillors, senior management and other stakeholders should co-operate with one another.

The municipality has not performed to its required level. There are many weaknesses that must be removed before performance can improve. The establishment of Municipal Public Accounts, Audit Committee and other oversight committees and close monitoring of the Service Delivery and Budget Implementation Plan. Everyone must be held individually and collectively accountable for resources put his/her care

NS Monyamane

Mayor

1.2 OVERVIEW OF THE MUNICIPALITY

Mookgophong Local Municipality is situated 110 km on the Southern side away from Polokwane. Mookgophong is a small town that is located along the R101 road between Mokopane and Modimolle towns.

The main attraction of Mookgophong is the many game farms and their luxury safari lodges. This town is a service centre supporting strong agricultural hinterland and existing mining activities in close proximity to the town. Mookgophong is a charming town at the foot of the Swaershoek Mountains surrounded by peaceful nature reserves and steaming hot springs. The mellow Bushveld climate and attractive resorts in the area attract many holiday makers. The settlement dates back to the late 1800s when it was an outspan area for the Pretoria-Polokwane mail coach. Eventually a village developed around a railway station on the farm "Mookgophong" formally known as Naboomspruit.

Mookgophong Local Municipality is advantaged as we have the legislative authority to provide and supply water in our area of jurisdiction, the disadvantage is the shortage of bulk supply. We are also advantaged to be an authority over the supply of electricity to over 55% in our area of jurisdiction. These two deliverables gives us leverage for financial viability, however as well as challenges of high risk if we can not collect revenue as required.

POWERS AND FUNCTIONS

NAME OF FUNCTION	AUTHORITY TO PERFORM FUNCTION	ACTUAL PERFORMANC E OF FUNCTION	DEPARTMENT PERFORMING THE FUNCTION
1. Potable Water	Yes	Yes	Technical Services
2. Sanitation	Yes	Yes	Technical Services
3. Electricity Reticulation	Yes	Yes	Technical Services
4. Storm Water	Yes	Yes	Technical Services
5. Municipal roads	Yes	Yes	Technical Services
6. Municipal Planning	Yes	Yes	Technical Services
7. B/Regulations	Yes	Yes	Technical Services
28. Street lighting	Yes	Yes	Technical Services
8. Fire Fighting	No	Yes	Social & Community Services
9. Local Tourism	Yes	Yes	MMs Office
10. Municipal Public Transport	Yes	No	Social & Community Services
11. Trading Regulations	Yes	Yes	Social & Community Services

12. Billboards & the display of advertisements in public places	Yes	Yes	Social & Community Services
13. Cemeteries, Funeral Parlours & Crematoria	Yes	Yes	Social & Community Services
14. Cleansing	Yes	Yes	Social & Community Services
15. Control of public nuisance	Yes	Yes	Social & Community Services
16. Control of undertakings that sell liquor to the public	Yes	No	Social & Community Services
17. Facilities for the accommodation, care and burial of animals	Yes	No	Social & Community Services
18. Fencing and fences	Yes	No	Social & Community Services
19. Licensing of dogs	Yes	No	Social & Community Services
20. Licensing and control of undertakings that sell food to the public	Yes	No	Social & Community Services
21. Local amenities	Yes	No	Social & Community Services
22. Local sport facilities	Yes	Yes	Social & Community Services
23. Municipal parks and recreation	Yes	Yes	Social & Community Services
24. Pounds	Yes	No	Social & Community Services
25. Public places	Yes	Yes	Social & Community Services
26. Refuse removal, refuse dumps and solid waste disposal	Yes	Yes	Social & Community Services
27. Street trading	Yes	Yes	Social & Community Services

Source : Demarcation board 2009/2010

Population Statistics

Ward s	Total % per ward
Ward 1	11209
Ward 2	10679
Ward 3	9809
Ward 4	11772
TOTAL 4	TOTAL 43469

Source : Census 2001

Labour force

	2001 Census
Employed	67%
Unemployed	32%
Not economically active	1%

Source : IDP 2011/2012

Income distribution

Monthly income	Number of people	Percentage
No income	16518	38%
R1- R400	869	2%
R401- R800	1304	3%
R801- R1 600	2608	6%
R1 601- R3 200	1739	4%
R3 201- R6 400	3043	7%
R 6 401—R12 800	4347	10%
R12 801- R25 600	3043	11%
R25 601-R51 200	2173	5%
R51 201- R102 400	2608	6%
R102 401-R 204 800	869	2%
Over R204 801	2608	6%
Total	43469	100%

COUNCIL COMPOSITION

LIST OF COUNCILLORS: MOOKGOPHONG LOCAL MUNICIPALITY

NAME AND SURNAME	POLITICAL PARTY	GENDER	DESIGNATION
1. Nkome Sarah Monyamane	ANC	Female	Mayor
2. Reuben Malose Kekana	ANC	Male	Chief Whip
3. Madimetja Solomon Maphologela	ANC	Male	Councillor
4. Kuni Sarah Lamola	ANC	Female	Councillor
5. Lesiba William Kola	ANC	Male	Councillor
6. Mokgaetji Sinah Langa	ANC	Female	Councillor
7. Boshof Ena	DA	Female	Councillor

8. Louw Hercules Petrus	DA	male	Councillor
9. Mafuna Selomo Patrick	COPE	male	Councillor
10. Kleynhans Jan Hendrik	FF	Male	Councillor

PORTFOLIO COMMITTEES

There are seven committees established by council which are representative of all political parties in Council. The separation of powers is best addressed when the municipality becomes an Executive collective system.

Table 6.9, Portfolio Committees

PORTFOLIO COMMITTEE	CHAIPERSON	MEMBERS
1. Budget, Treasury and IDP	Cllr K.S Lamola	Cllr Monyamane Cllr Espach Cllr Kekana
2. Corporate Services	Cllr C.J Espach	Cllr Monyamane Cllr Roothman Cllr Seanego
3. Local Economic Development	Cllr N.S Monyamane	Cllr Espach Cllr Kgosana Cllr Seanego
4. Planning and Infrastructure	Cllr R.M Kekana	Cllr Pretorius Cllr Seanego
5. Social Services	Cllr.R.E Kgosana	Cllr Monyamane Cllr Roothman Cllr Kekana Cllr Seanego
6. Special Projects	Cllr. K.S Lamola	Cllr Kekana Cllr Espach Cllr Roothman

		Cllr Kgosana Cllr Seanego Cllr Monyamane
7. Rules and Order Committee	Cllr R.L Seanego	Cllr Kekana Cllr Espach Cllr Lamola

1.3. EXECUTIVE SUMMARY

An annual report is a strategic document which throws more light the performance and accountability levels of a municipality. It is also a legal requirement that a municipality is not only a management report but is also critiqued by other stakeholders. A credible annual report is premised on the IDP, Budget and Service Delivery and Budget implementation Plan.

The municipality is pursuing the objectives of local government as enshrined in the RSA Constitution and its principal strategy-which is the Integrated Development Plan. The IDP also entails in more ways than the priorities of the other spheres of government. One The Key Performance Areas (KPAs) of Local Economic Development, Basis services, financial viability and management, Good Governance and Public Participation and Transformation and Organisational development. The performance of the municipality is fairly well in Basic services since the backlogs had been dealt with. More efforts are needed in other KPAs.

The implementation of IDP is driven by the vision, mission and values. When senior managers and other employees start to live these values the implementation will improve. The Service Delivery and Budget Implementation Plan was used throughout the year to assess the Senior Managers. A more stringent attention must be paid to issues of contract management in order to hold service providers more accountable.

The KPA of Public Participation and Good Governance had proven itself through the activities of the Political Management Team and Council. Councillors were able to serve their term of office to its end in May 2011. The municipality is still a plenary executive and the separation of powers is somewhat elusive.

Department of Local Government and Housing has assisted the municipality to review its organ gram. An integrated approach to IDP and the budget was followed and will

still be followed in the future to improve alignment. The capital expenditure of 75 % is a slight improvement of 45% of that of 2009/10.

Given the huge amount of money owed by the debts for services rendered to them, the issue of viability is questionable. There is a need to build the Budget and Treasury by employing competent employees. Senior Managers must improve on budget controls with the assistance of Internal Audit unit to manage wrong use of votes and overspending tendencies. The establishment of the Municipal Public Accounts Committee would go a long in creating a financial stability. The drawing of Annual Financial Statements is an indication of the municipality to depend less on consultants.

Administratively the municipality is stabilizing. There is need to for management to improve on the way they manage their departments in a strategic way.

1.3.1 MUNICIPAL PRIORITIES

1	Water and Sanitation;
2	Roads and Stormwater
3	Electricity;
4	Housing and Land;
5	Unemployment and Economic Decline;
6	Clean Audit
7	Good governance and public participation
8	Transformation and institutional development
9	Solid waste
10	Health and Welfare
11	Safety and security
12	Education
13	Sports ,Arts and Culture

Source : IDP 2011/2012

1.3.4 MISSION AND VISION

Our VISION is to ensure that “To be a champion in providing effective ,efficient and sustainable services to our community’.

MISSION

We focus on delivering a quality and sustainable services by utilising the available resources in terms of human and financial capital in order to create a conducive economic climate and healthy environment for all.

VALUES:

- Cooperation
- Acceptance of diversity
- Professionalism
- Accountability
- Responsiveness
- Redress
- Transformation
- Integrity

Our focus for 2010/2011 was on the following:

- Ensuring the effectiveness of administrative and institutional systems, structures and procedures including: human resources, financial policies, by-laws and communication systems are established and implemented, for municipal transformation and organisational development.
- The Municipality managed to establish our Council Committees to ensure effective leadership.
- All Section 56 as well as most of our strategic positions were filled.
- Development and maintenance of infrastructure and service delivery:
- We also focussed on financial management and viability, for sustainability and service delivery.
- Good Governance and Public Participation: Council committees in line with Section 80 of the Local Government: Municipal Structures Act 117 of 1998.
- As a Municipality with Plenary Executive System combined with a Ward Participatory System, we have established Ward Committees to enhance good governance.
- Anti-Corruption Strategy has been developed for implementation through out the Municipality to ensure corrupt and fraud free operations..

RP Molebaloa

ACTING MUNICIPAL MANAGER

CHAPTER 2: PERFORMANCE HIGHLIGHTS

The performance of the municipality is measured against its targets which were enshrined in the SDBIP and relates also to the Mid- Year Report which was submitted in January 2010. The capital projects are contained in the IDP.

2.1 Key Performance Indicators

KPA	2009/10 Actual result	2010/11 Targets	Strategic Objectives	KPI	2010/11 Actual result	Evidence	Remedial action
SR	100%	100%	To ensure integrated and sustainable use of land	Percentage of land applications for development responded within 12 months.	100%	Schedule of applications	None
	100%	100%	To ensure integrated and sustainable use of land	Percentage of building plans approved.	100%	Schedule of plans approved and rejected	None
BSD	100%	100%	To enhance infrastructure and access to basic services	Percentage of household with access to water.	100%	Project statue report	None
	100%	70%	To enhance infrastructure and access to basic services	Percentage of household with access to free basic water.	100%	Indigent register	None
	100%	100%	To enhance infrastructure and access to basic services	Percentage of water quality.	100%	Water quality report/results	None
	10%	10%	To enhance infrastructure and access to basic services	Percentage of water loss.	15%	Water inventory report .	Putting air valve in the pipes .
	100%	70%	To enhance infrastructure and access to basic services	Percentage of household with access electricity.	100%	Project report	None
	100%	70%	To enhance infrastructure and access to basic services	Percentage of household with access free basic electricity.	70%	Indigent register	None
	10%	10%	To enhance infrastructure and access to basic services	Percentage of electricity loss.	10%	Electricity Bill / report	Implement electricity saving plan
	90%	10%	To enhance infrastructure and access to basic services	Percentage of energy saving	8%	Sewer monitoring report & solar geyser presentation	Implement Electricity Savings Plan
	80%	70%	To enhance infrastructure and access to basic services	Percentage of households with access to sanitation	85.29%	IDP DOCUMENT	Connect the remaining hh
	80%	80%	To enhance infrastructure and access to	Percentage of grey water effluent complying with SANS standard	100%	Water quality report	Finalise Water Purification Project

			basic services				
	100%	100%	To enhance infrastructure and access to basic services	Percentage of household with access to road and adequate storm water control.	100%	IDP DOCUMENT	
	-	4	To enhance infrastructure and access to basic services	Number of kilometer surfaced.	2,4	Project report	Source funds from MIG .
	-	40	To enhance infrastructure and access to basic services	Number of jobs created	24	Implement Special programmes & LED projects	Review and implement LED
	-	Less than 10%	To enhance infrastructure and access to basic services	Percentage of Operating budget variance per department YTD.	14%	Project Status Report	Finalise disciplinary cases
	40%	Less than 10%	To enhance infrastructure and access to basic services	Percentage of capital budget variance.	10%	Project status report	Implement Procurement Plan
	-	4	To enhance infrastructure and access to basic services	Number of SCM deviation followed up and reported	4	SCM deviation report.	None
	-	4	To enhance infrastructure and access to basic services	Number of contract management report submitted.	4	Contract Management report.	None
	40	100%	To enhance infrastructure and access to basic services	Percentage of AG audit queries related to department resolved.	91%	Audit Action plan report	Fas track outstanding 5 outstanding queries
	2	4	To enhance infrastructure and access to basic services	Number of risk meeting. attended	2	Minutes and attendance register.	Risk processes to be integrated with IDP processes
	50%	100%	To enhance infrastructure and access to basic services	Percentage of internal audit queries related to department resolved within agreed timeframe.	99%	Internal Auditors report.	Speedy implementation of
	0%	60%	To enhance infrastructure and access to basic services	Percentage of turnaround strategy initiative Implemented	28%	MTAS quarterly report	Funds required to implement MTAS
	40	34	To enhance infrastructure and access to basic services	Number of management meeting held.	24	Agendas and minutes	None
	0	1	To enhance infrastructure and access to basic services	Number of refuse removal community based programme launched	1	But the programme was discontinued	None
	60%	96	To enhance infrastructure and access to basic services	Number of illegal dumping sites addressed	50	Monthly report	Implement IDP strategies
	4000	5560	To enhance infrastructure and access to basic services	Number of households with access to solid waste collection 5560once a week	5560hh collection once a week	Waste management report	None
	5	5	To enhance	Number of parks	5	Expenditure on	None

			infrastructure and access to basic services	maintained		maintenance	
	100%	100%	To enhance infrastructure and access to basic services	Percentage of graves dug	100%	Monthly report on statistics for burial made	None
	3	3	To enhance infrastructure and access to basic services	Number of cemeteries maintained	5	Expenditure on maintenance	Project required for cemetery in Mookgophong
	-	4000	To enhance infrastructure and access to basic services	Number of books circulated per month	11616 circulated	Register and membership cards	None
	-	1200	To enhance infrastructure and access to basic services	Number of people who access library service(Paying members)	3066	Record of membership	None
	-	16 000	To enhance infrastructure and access to basic services	Number of users who access library service	20648	Monthly report and daily statistics	None
	-	1600	To enhance infrastructure and access to basic services	Number of booking for driver's license	1311, No applicant to meet our target	RD329 report and monthly report submitted to council	None
	-	1600	To enhance infrastructure and access to basic services	Number of driver's license issued	1158	RD329 report and monthly report submitted to council	None
	-	2400	To enhance infrastructure and access to basic services	Number of bookings for learners	1868	RD329 report and monthly report submitted to council	None
	-	1600	To enhance infrastructure and access to basic services	Number of learners issued	1227	RD329 report and monthly report submitted to council	None
	-	1200	To enhance infrastructure and access to basic services	Number of roadworthy certificate issued	583 Breakdown of equipment	RD329 report and monthly report submitted to council	None
	100%	100%	To enhance infrastructure and access to basic services	Percentage of reported disasters attended to	100%- 55 disasters were attended to	Monthly report	None
	4	4	To enhance infrastructure and access to basic services	Number of Disaster Management Meetings attended	6 meeting attended	Minutes and register	None
	4	10	To enhance infrastructure and access to basic services	Number of project completed on time per department.	3	Project Status Report	Develop project Monitoring tool
	4	30	To enhance infrastructure and access to basic services	Number of projects completed within budget per department.	2	Project Status Report	Develop project Monitoring tool
	2	4	To enhance infrastructure and access to	Number of district social cluster meeting attendance	3	Invitation and agendas .	Attend meetings

			basic services				
GGPP	100%	100%	To promote clean audit and good governance practices	Percentage of signed performance agreement.	100%	Copies of Performance Agreements	None
	3	4	To promote clean audit and good governance practices	Number of Performance Audit Committee Reports submitted to Council.	1	Performance Audit report	Audit committee meetings& submit to council as per target
	-	1	To promote clean audit and good governance practices	Number of Performance Internal Audit queries related to OMM addressed	1	Appointment of Audit committee	None
	91	104	To promote clean audit and good governance practices	Number of Audit queries addressed.	99	Audit steering committee report	Monitoring & Evaluation tool
	4	4	To promote clean audit and good governance practices	Number of District Municipal Managers Forum attended.	4	Attended register	None
	4	4	To promote clean audit and good governance practices	Number of IDP Steering Committee chaired.	5	Attendance register and minutes	None
	0	0	To promote clean audit and good governance practices	Number of Section 56 Performance counselling conducted	0	N/A	None
	100%	100%	To promote clean audit and good governance practices	% of Section 56 managers who know and understand the values, vision and mission of the municipality	100%	IDP	None
	4	4	To promote clean audit and good governance practices	Number of IDP Rep Forum attended.	4	Attendance register and minutes	None
	-	3	To promote clean audit and good governance practices	Percentage of Presidential hot line issues addressed.	3	Report	None
	-	100%	To promote clean audit and good governance practices	Percentage of Turn Around Strategy initiatives implemented.	70%	MTAS quarterly reports	Monitor MTAS initiatives
	6	6	To promote clean audit and good governance practices	Number of public notices placed in local newspaper.	8	Copies of notices in the newspapers .	none
	3	4	To promote clean audit and good governance practices	Number of community feedback meetings organised	1	Mayoral imbizo	Develop schedule for imbizos
	1	4	To promote clean audit and good governance practices	Number of meetings of stakeholders and SOE	4	Minutes and agenda	None
	1	4	To promote clean audit and good governance practices	Number of local imbizo organised	2	Attendance register	Develop schedule for imbizos

	12	12	To promote clean audit and good governance practices	Number of Ward Committees reports submitted.	8	Council agenda	Adhere to ward committee schedule
	80%	100%	To promote clean audit and good governance practices	Percentage of public queries responded to in time.	80%	Complaints management report	Develop complaint management strategy
	12	12	To promote clean audit and good governance practices	Number of Departmental meetings held.	12	Agenda and minutes	None
	70%	100%	To promote clean audit and good governance practices	Percentage of Council Resolutions implemented.	96%	Council Implementation Report	Constant monitoring
	6	10	To promote clean audit and good governance practices	Number of policies related to the OMM reviewed.	12 policies reviewed	Council resolution	None
	4	4	To promote clean audit and good governance practices	Number of IDP sector plans reviewed.	4	Copies of plans submitted	None
	Medium	High	To promote clean audit and good governance practices	Rate of Credible IDP.	Medium	MEC assessment report	Improve on packaging and projects
	0	1	To promote clean audit and good governance practices	Submission of Annual Report on time.	1	Annual report	Improve on quality and submission
	0	1	To promote clean audit and good governance practices	Submission of Performance Report on time.	1	Annual Performance report.	Draft Report
	12	12	To promote clean audit and good governance practices	Number of public notice of municipal councils	12	Notice of municipal councils	None
	100%	100%	To promote clean audit and good governance practices	Percentage of identified risk addressed per department.	60% risks identified .	Risk register	Risk
	-	100%	To promote clean audit and good governance practices	Percentage of Turn Around strategy initiatives related to OMM implemented.	92%	MTAS quarterly reports	None
	-	April 2011	To promote clean audit and good governance practices	Tabling of IDP/Budget.	IDP/Budget tabled on time .	Council resolution .	None
TOD	80%	100%	To promote clean audit and good governance practices	Percentage of council resolution implemented within timeframe.	78%	Council implementation plan	None
	60%	100%	To promote clean audit and good governance practices	Percentage of Management Meeting Resolutions related to OMM implemented within timeframe.	100%	Management meeting implementation plan	None

	60%	100%	To promote clean audit and good governance practices	Percentage of Turn Around strategy initiatives related to OMM implemented.	92%	MTAS quarterly reports	MTAS monitoring strategy
	80%	100%	To promote clean audit and good governance practices	Percentage of service delivery complaints related to department addressed within 30 calendar days after reporting.	100%	Suggestion box and complains management book	None
	3	4	To promote clean audit and good governance practices	Number of quarterly performance assessments conducted by Municipal Manager.	4	Performance report	None
	0	4	To promote clean audit and good governance practices	Number of newsletter published	0	N/A	
TOD	3	12	To implement policies and improve the effectiveness and efficiency	Number of people from employment equity target groups employed in the three highest of management that complies with EE Plan	11	Appointment letters.	None
	-	100%	To implement policies and improve the effectiveness and efficiency	Percentage of employee disciplined within the department	100%	Disciplinary case report	None
	4	12	To implement policies and improve the effectiveness and efficiency	Number of LLF meetings attended	5	LLF minutes	Abide by ORA
	80%	100%	To implement policies and improve the effectiveness and efficiency	Percentage of training budget actually spent on implementing its WSP.	100%	107.8% spend on vote 0503/4423/0000	Budget monitoring and control.
	0	4	To implement policies and improve the effectiveness and efficiency	Number of safety inspections conducted	2	Safety report	Develop OHS programme and implement it .
	-	12	To implement policies and improve the effectiveness and efficiency	Percentage of screened newly recruited employees	11	Appointment letter.	Development of screening report .
	-	12	To implement policies and improve the effectiveness and efficiency	Percentage of new employees inducted	0	Induction programme	develop a proper induction programme
	60%	100%	To ensure effective and efficient administration	Percentage of employees who report to duty on time	70%	Time sheets	Proper monitoring of attendance .
	0%	100%	To ensure effective and efficient administration	Percentage of issues raised by Health and Safety Representatives	20%	OHS Report	Deal with the outstanding issues .

	60%	100%	To ensure effective and efficient administration	Percentage of responsiveness to HR queries and requests within 5 days	50%	Report	Improve on responsive
	100%	100%	To ensure effective and efficient administration	Percentage of accidents reported	50%	Report	None
	50%	100%	To ensure effective and efficient administration	Percentage of compliance to HR policies and Collective agreements.	60%	Council resolution	Improve on compliance .
	100%	100%	To ensure effective and efficient administration	Percentage of reduced turnaround time for end-user support.	50%	IT Report& form	Capacitate end users
	100%	100%	To ensure effective and efficient administration	Percentage reduced turnaround time for attending FMS related queries.	60%	Monthly report	Enforce the condition as contained in the SLA.
	0	30	To ensure effective and efficient administration	Number of contracts lost	6	Contract register	Contract management control
	100%	100%	To ensure effective and efficient administration	Percentage of downtime on the network.	90%	IT Report	Eliminate none intelligent switches in office.
	8	8	To ensure effective and efficient administration	Number of legal documents placed on website	16	www.mokgoophong.gov.za	None
	52	52	To ensure effective and efficient administration	Number of weekly plans submitted to AMM	52 weekly plans submitted .	Weekly plans	None
	100%	100%	To ensure effective and efficient administration	Percentage of registered requests / faults reported.	100%	Form	None
	12	12	To ensure financial management and viability	Number of section 71 reports submitted.	12 copies submitted .	Copies of the report.	None
	12	12	To ensure financial management and viability	Number of section 66 report submitted.	12 Copies of 71 reports	Copies of section 71 reports	None
	80%	100%	To ensure financial management and viability	Percentage of projects completed on time.	20% of projects completed on time	Project status report	Project monitoring strategy
	10%	30%	To ensure financial management and viability	Percentage of debt coverage ratio	42,8%	TB and PM11	None
	100%	100%	To ensure financial management and viability	Percentage of cost coverage ratio	0,79%	TB	Revenue enhancement strategy
	100%	100%	To ensure financial	Percentage of outstanding service debt	0,72%	PDO6 & TB	None

			management and viability	to revenue			
	12	12	To ensure financial management and viability	Number of FMG report submitted.	12	Monthly Report	None
	1	1	To ensure financial management and viability	Annual financial statement submitted on time.	First quarter 2011	Copies of the AFS .	None
	4	4	To ensure financial management and viability	Number of MFMA quarterly returns forms Submitted	4 quarterly reports submitted.	Report	None
	1	1	To ensure financial management and viability	Number of asset audit conducted	1	Assets register & PWC report.	None
	4	1	To ensure financial management and viability	Number of audit committee held	1	Minutes and agenda	None
	-	100%	To ensure financial management and viability	Percentage of resolution implemented	96%	Management resolution implementation report	None
	12	12	To ensure financial management and viability	Number of bank reconciliation submitted	12	Bank recon statement	None
	Less than 10%	Less than 10%	To ensure financial management and viability	Percentage of operating budget variance	-11,98% over spent	PM11	Budget control measures
	Less than 10%	Less than 10%	To ensure financial management and viability	Percentage of capital budget variance	22%	PM11	Budget control measures
	0	4	To ensure financial management and viability	Number of SCM deviations reports submitted to Council	7	Deviation report	Adhere to SCM regulations
	12	12	To ensure financial management and viability	Number of MSIG report submitted	12	MSIG report .	None
	-	100%	To ensure financial management and viability	Percentage of project completed on time	60%	Project Status Report	Develop Project monitoring strategy
	-	100%	To ensure financial management and viability	Percentage of projects completed within budget per department.	90%	Project Status Report	Develop Project monitoring strategy

2.2. 2010/11Capital Projects

KPA	Name of project	2009/10 Budget	2010/ 11 IDP Budget	Objectives	Target	Actual budget spent	Actual result	Evidence
BSD	Bulk storm water	R1 686,412.	R5 761 705.	To enhance infrastructure and access to basic services	100%	R3 153 591	completed	Project status report
	Dumping site	R2 000 000	R4 000 000	To enhance infrastructure and access to basic services	100%	R4 000 000	completed	Project status report
	Completion Electric- cluster	R600 000	R630 000	To enhance infrastructure and access to basic services	100%	R571 265	completed	Project status report
	High Mass light	R960,565	R626 000	To enhance infrastructure and access to basic services	100%	R648 294	Completed	Project status report
GG&PP	IDP	R320 000	R300 000	To promote clean audit and good governance practices	100%	R300 000	completed	4 th quarter report MM
	PMS	R230 000	R200 000	To promote clean audit and good governance practices	100%	R200 000	completed	Performance Report
TOD	Payday records man. System/off equipments	R400 000	R400 000	To implement policies and improve the effectiveness and efficiency	100%	R376 850	completed	Project status report
	Cabling computer equipments	R77 000	R77 000	To implement policies and improve the effectiveness and efficiency	100%	R76 196	completed	Project status report
	BMW Sedan	-	-	To implement policies and improve the effectiveness and efficiency	100%	R335 573	Completed	Project report

2.3 Roll over projects

KPA	Name of Project	08/09 Budget	2009/10 Projected budget	Strategic objectives	Target	2010/11 Actual budget	Actual result	Evidence
TOD	Extension Mookgophong Civic Centre	R960 000	R2 141 944	To implement policies and improve the effectiveness and efficiency	60%	R2 213 600	Roll over	Project report
	Office equipment and furniture	R0	R400 000	To implement policies and improve the effectiveness and efficiency	100%	R400 000	achieved	Project report
	Sewer reticulation	R2 500 000	R2,500 000	To enhance infrastructure and access to basic services	100%	R2 500 000	Roll over	Project report
	Upgrading welgevonden purification plant	R8.000 000	R4 303 595	To enhance infrastructure and access to basic services	100%	R2 157 271	Roll over	Project status report

2.4 External Service provider

Legend

1= Failure

2= Neither nor success

3= Limited success

4= Successful

5= Very successful

HDI	Name of Service provider	Type of service	Date awarded	Amount awarded	Rating of service
100%	Indwe Risk Services	Insurance	06 Dec 2010	R541 941	5
100%	Moloko B Enterprise	Upgrading of water purification plant	08 April 2011	R12 085 140,10	2
0%	Price water-House	Completion of GRAP compliant Assets register	08 April 2011	R983 151,32	4

100%	Malunga Tax Consultants	VAT Recovery	06April 2011	10%	4
	Brightside Electrical	Design & Installation of high mass light	17 July 2009	R648 294	1
	G&C Consulting	Upgrading of Welgewonde Purification	05May2010	R347 064.31	3
	BMW	Mayoral vehicle	1 June 2011	R382 553 ,50	4
	Sophie & Jack	Bulk storm water	05 Feb 2010	R3 153 591	5
	Elias Homes CC	Extension of MKG civic centre	25 Jan 2010	R2 213 600	1
	Nhlabanele	Security	1 Dec 2006	R38 722.08	2
	Tsa - kgomotso	Electrification of ward 5&6 800hh	06April 2010	R723 450.55	3
	Payday	HR & payroll service system	20 Jan 2010	R281 976	4
	Sebata FMS	Financial service system	1August 2006		4

2.5. Long term contracts

No	Name of service provider	Type of service	Date awarded	Expiry date	Amount awarded
1.	Ntlhabanele Security	Security	1 Dec 2006	Dec 2011	38 722.08
2.	Phezulu Risk management	Insurance		30 Dec 2013	
	Indwe Risk Services	Insurance	06 Dec 2010	06 Dec 2010	R541 941
6.	Sebata FMS	Financial Systems Management	1August 2006		
7.	Northern Telekom	Telephone			

2.6. Progress report on of auditing of 2010/2011 Annual Financial Statement.

Performance information query	Progress
Completed projects included in the list of commitments Audit finding The following projects are completed but are still included in the balance of commitments of R7.9 million:	The two projects mentioned is not part of the list of outstanding commitments as presented for audit purposes. The commitments for 2010 are therefore still standing on R7,987,738.00
Significant differences between the trial balance and financial statements Audit finding GRAP1.18 states that financial statements shall present fairly the financial	These amounts were corrected in the 2010 / 11 set of financial statements under the 2010 column

position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements.	
Prior closing balances does not correspond with the current year opening balances Audit finding GRAP1.18 states that financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements. Unexplained and irreconcilable significant differences were identified between the prior year's closing balances and the current year's opening balances in the financial statements	Prior closing balances does not correspond with the current year opening balances Audit finding GRAP1.18 states that financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements. Unexplained and irreconcilable significant differences were identified between the prior year's closing balances and the current year's opening balances in the financial statements
Understatement of inventories Audit finding Through the process of system verification it was confirmed that the municipality hold water inventory from its reservoirs for resale to the consumer (this has been proven through recognized water sale revenue in the accounting records –Vote ledger account:0088/8965/0000).The water held for sale complies with the definition of inventory as it is held for sale in the ordinary course of the Municipal operations. The water inventory has not been disclosed in the accounting records of the municipality at the reporting date. Although the municipality has applied for exemption in terms of measurement requirements, Paragraph 48 of Directive 4 requires that the water inventory should be disclosed at provisional amount. The inventory in the statement of position might be understated.	Water master plan was designed. Asset design specialists were given the information to calculate the capacity of the water network. By 15 July 2011 this municipality will receive a full report in order to include the water as inventory on the financial statements.
Supporting documentation not submitted Audit Finding Supporting documentation could not be provided for following journal transactions of R1 527 328 to confirm the occurrence, accuracy and classification of the transactions:	There was no payment to Escom to the amount. of R739 88250, but only a journal written to correct an incorrect transaction. However this transaction was "incorrectly "rectified. In fact there are two journals written by the

	consultants that was done
Corresponding figure Audit finding Documentation to substantiate creditors to the value of R6.6 million for the year ended 30 June 2009 could not be provided and was not resolved in the current audit. Alternative procedures were considered but the municipality's records did not permit it	This amount received from SARS represents VAT that was not claimed. As a result expenditure for these specific transactions was overstated by the amount of VAT (not claimed). This has therefore a direct influence on the Accumulated Surplus account and is having no effect on the current status of VAT control account.
No movement on retention amount as disclosed in the annual financial statements Audit finding Retention amounted to R1.5 million on the trail balance and did not show a movement from the prior year. No movement of retention amount of (R1 509 298) as disclosed in the financial position of the annual financial statements. Retention according to note 13 to the financial statements amounted to R3.5 million. Appropriate audit evidence could not be provided.	Total reconciliation of retention payable is still outstanding
Supporting documentations for journals could not be submitted for audit Audit finding The following journals totaling R12.7 million could not be submitted:	All journals submitted .
Debit balances Audit finding The following debt balances amounting to R5.3 million were included in the credit balances of trade and other payable, while appropriate audit evidence for these balances could not be provided:	The AG was provided with a list of "Purchases"" amounting to R3,9m. The audit team indicated that they should draw samples from this list to proof the existence of the balances. The rest of the balances were explained in detail to the audit team.
Corresponding figures Audit finding The following finding identified in the year ended 30 June 2009 have not been resolved: (a) Assets with a carrying amount of R47.7 million included in the balance of property, plant and equipment of R86.1 million as disclosed in the statement of financial position could not be physically verified. We inspected the fixed assets register for the current year under review and noted that essential information required for identification and location of assets has not been adequately disclosed in the fixed asset register ie • Assets not properly described • Not all assets have unique asset numbers • Location of most assets not stated	A full asset count and updating of the asset register is currently executed by PWC (Baud). By 15 July 2011 an asset register will be submitted to address all concerns raised by the AG.

We could not perform physical verification on these assets in the absence of the above information and as result we are unable to confirm their existence of R47.7 million.	
Inadequate and incomplete fixed asset register Audit finding 1. Property, plant and equipment as disclosed in the statement of financial position amounted to R111 086 205. Unexplained and irreconcilable significant differences were identified between this amount in the financial statements and the trial balance, general ledger and asset register. Refer to the tables below. R4.9 million difference between the financial statements and the trial balance 1.1 R181,112 difference between the general ledger and asset register: The asset register does not reflect the physical locations of assets. As a result the physical verification of assets could not be performed and we were unable to confirm the existence and completeness of assets. Alternative procedures were considered but the asset register did not allow us to verify the assets, in the absence of detailed locations. 3. Assets are not allocated unique-bar codes, also preventing us to perform an efficient physical count. The following list serves as examples:	A full asset count and updating of the asset register is currently executed by PWC (Baud). By 15 July 2011 an asset register will be submitted to address all concerns raised by the AG. The actual amounts are: Open b : R 104 316 159 Acquis : R 14 454 306 Disposa l : R 306 453 WIP : R 25 026 495 T cost : R143 490 507 Acc Depr R 21 127 14
Assets donated by the Waterberg District Municipality (WDM) Audit finding According to a letter from the WDM dated 30 July 2010, 41 properties have been donated to the municipality by the WDM. This properties emanated from the promulgation of the Provincial Gazette of 1 October 2001, disestablishing all transitional local council's (TLC's) and transferred all assets, liabilities, rights and obligation of these TLC's to the new local municipality in whose area the administrative unit was located. In the Waterberg district area, these smaller towns were transferred to respective local municipalities, but upon closer inspection by WDM in 2009 it was found that some of these properties were still registered in the name of the WDM at the Deeds Office. Assets donated by the Waterberg District Municipality (WDM) Audit finding According to a letter from the WDM dated 30 July 2010, 41 properties have been donated to the municipality by the WDM. This properties emanated from the promulgation of the Provincial Gazette of 1 October 2001, disestablishing all transitional local council's (TLC's) and transferred all assets, liabilities, rights and obligation of these TLC's to the new local municipality in whose area the administrative unit was located. In the Waterberg district area, these smaller towns were transferred to respective	According to title deeds these property was only transferred in October 2010. Title deeds had been given to PWC (Baud) to include this in the asset register

local municipalities, but upon closer inspection by WDM in 2009 it was found that some of these properties were still registered in the name of the WDM at the Deeds Office. WDM in its council meeting in 2001, approved that all town planning be devolved to the respective local municipalities. In terms of the “substance over form” accounting principle, any property that is controlled by a municipality or for which you derive income or incur expenditure, is deemed to be that municipality’s property even if the official registration at the Deeds Office has not yet been completed. On inspection the 41 properties have not been recognized in the asset register. Examples are:	
No provision for 13th cheque Audit finding GRAP19.16 defines a provision as a liability of uncertain timing and amount. A liability is defined in GRAP19.16 as a present obligation as a result of a past event the result of which would result in an outflow of economic resources from the enterprise the amount can be measured reliably. • A present obligation As at 30 June 2010, Mookgophong Municipality has a present obligation to pay a 13th cheque/bonus (proportion per months of service) to an employee based on their appointment dates. • As a result of a past event The employee rendered a service to the municipality during the year, up to 30 June, and according to their appointment letters, is entitled to a 13 cheque/bonus. • The result of which would result in an outflow of economic resources from the enterprise The payment of a 13th cheque/bonus, would result in an outflow of resources from the municipality. • The amount can be measured reliably Due to the nature of this item, the provision should be based on management’s best estimate of the payments that are to be made to employees as a 13th cheque/bonus, as a consequence of the employees being entitled to a 13th cheque/bonus in terms of their appointment conditions. Therefore in terms of the above, the municipality has a legal obligation as at 30 June 2010 to provide for a 13th cheque/bonus. The municipality did not	Provision had been calculated for the 13th cheque provision and been included in the 2011 financial statements under both columns for 2011 and 2010

provide for 13th cheque/bonuses (proportion per months of service and adjust with resignation rate), resulting in the understatement of the liabilities in the statement of financial position and understatement of expenses in the statement of financial performance by an unknown amount.	
Defined benefit plan obligation - Medical Audit finding The International Accounting Standard (IAS) 19 prescribes the accounting and disclosure by employers for employee benefits. IAS19.48 requires the accounting for defined benefit plan because actuarial assumptions are required to measure the obligation and the expense. Moreover, the obligations are measured on a discounted basis because they may be settled many years after the employees render the related services. The municipality contributes monthly to the medical aid for retired employees while an agreement exists that the municipality will contribute, as a post retirement benefit, to current employees' medical aid. The municipality did not recognize and measure the medical aid benefits for retired and current employees, as required by IAS19.49 to .51, by obtaining an actuarial valuation on post-retirement medical aid contributions of retired and all current employees who are eligible for the same benefit on retirement.	The final results were received from ARCH. These amounts will be reflected in the 2011 set of financial statements
Provision on the rehabilitation of the landfill site Audit finding The provision for the rehabilitation of the landfill site relates to the legal obligation of the municipality to rehabilitate the municipality's landfill site used for waste disposal. GRAP19 stipulates the following: 1. GRAP 19.16 defines a constructive obligation an obligation that derives from an entity's actions where: (a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and (b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities. 2. GRAP 19.16 defines a provision a liability of uncertain timing or amount. 3 GRAP 19.20 defines the recognition of a provision as follows, when – (a) an entity has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and	Report had been received from engineer. Provision had been made

(c) a reliable estimate can be made of the amount of the obligation 4. GRAP 19.58, states that if the effect of discounting is significant, the provision should be measured at the present value of the expected future outflow of resources A permit was issued to the municipality in terms of section 20 of the Environment Conservation Act, 1989 (Act No. 73 of 1989) authorizing the municipality as permit holder to establish, further develop and operate the waste disposal site. Condition 11 of the permit requires the permit holder to rehabilitate the site in accordance with a rehabilitation plan. We have identified that the municipality did not provide for the rehabilitation of the landfill site as required by GRAP 19. Due to the nature of the provision we were not able to determine the provision or perform alternative procedures. The provision was also reported in the prior year and was not resolved.	
No basis for calculating provision for performance bonus Audit finding The provision for performance bonus amounted to R406 000. The basis and documentation supporting the provision could not be provided. Alternatively, we took the following into account and that led us believe that a provision is not necessary: • Performance bonus was not paid for the past three years. • The performance of the section 56 managers and the municipal manager was not assessed. • Due to the investigation by the provincial Department of Local Government and Housing, and the findings, we are of the opinion that performance bonuses will not be paid.	The provision for performance bonuses had been removed under the 2010 column, but a new provision will be determined for the 2011 financial year to be added on the 2011 set of financial statements.
Provision for doubtful debts/debt impairment was not adequately assessed Audit Finding Sec 63(2)(b) of MFMA, states that the accounting officer of the municipality should ensure that the municipality's assets and liabilities are valued in accordance with the standards of generally recognised accounting practice. GRAP 26.19 and .22 (a-e) states that an entity shall assess at each reporting date whether there is any indication that an asset may be impaired. In assessing whether there is any indication that an asset may be impaired, an entity shall consider, as a minimum, the following indications:	The provision for doubtful debts as been calculated by the AG will be corrected on the new set of financial statements and a new provision will be recalculated for the 2011 financial year.

<u>External sources of information</u> (a) During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use. (b) Significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated. (c) Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially. <u>Internal sources of information.</u> (d) Significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. (e) Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected. The provision for debt impairment amounted to R19.2 million, compared to R12.1 million the previous year. The basis used to determine the credit impairment provision of R19.2 million is not reasonable for the following reasons: • The repayment history of the different categories of consumers was not taken into consideration in determining the percentage recoverability. • Certain assumptions were made that are not reasonable or substantiated, for example the municipality's own debt of R769 873, government debt of R2 million, miscellaneous debt of R464 172 and miscellaneous (No VAT) of R944 247 on which impairment was determined. Our calculation determined a provision of R15 million.	
Reconciliation of debt impairment provision Audit Finding The reconciliation of debt impairment provision in note 8 to the financial statements is incorrect, as the opening balance of R8.6 million does not agree with the prior year's closing balance of R12.1 million, while the contribution expenditure of R7 067 492 on the face of the statement of	This incorrect amounts was already corrected in the new set of financial statements for 2011.

financial does not agree to the contribution of R10 584 088 in the reconciliation.	
Corresponding figure Audit finding Documentation to substantiate suspense accounts to the value of R1.1 million for the year ended 30 June 2009 could not be provided and was not resolved in the current audit. Alternative procedures were considered but the municipality's records did not permit it. Documentation supporting the following suspense accounts was requested as part of following up on prior year audit issues but was never provided:	Contra Journals and RD Cheques was submitted .
Supporting documentations Audit Finding Supporting documentations for journals could not be submitted to enable us to confirm the existence and valuation of debtors. Refer to the list below:	Documentation at hand
Accumulated surplus: Documentation not submitted and difference in opening balance Audit Finding Supporting documentations totaling R1 487 298 could not be obtained for amounts included in the accumulated surplus for the year. Refer to the documents recorded in the table below:	The correct opening balance is R125 766 088 and shall therefore reflect as such in the new set of financial statements.

2.9 BACKLOGS IN SERVICE DELIVERY

Indicator	Baseline	Backlogs
<i>Water</i>	<i>All households have access to basic water services including informal settlement where water are provided through communal taps and tankers .</i>	<i>None</i>
<i>Electricity</i>	<i>All households have access to basic electricity services including informal settlements</i>	<i>None</i>
<i>Sanitation</i>	<i>89% of households have access to proper sanitation .</i>	<i>11% do not have proper sanitation</i>
<i>Refuse removal</i>	<i>All households have access to basic refuse removal services including informal settlements</i>	<i>None</i>

<i>Roads and storm water</i>	<i>All house holds have proper roads which are above RDP standard while informal settlements receive the service which is below RDP standard.</i>	<i>No backlogs</i>
<i>Free basic services</i>	<i>1579 household receive Free Basic Water, Electricity. Refuse removal</i>	<i>1217 households do not receive free sanitation services.</i>

2.10 BUILDING AND ZONING PLANS PASSED IN 2010/2011

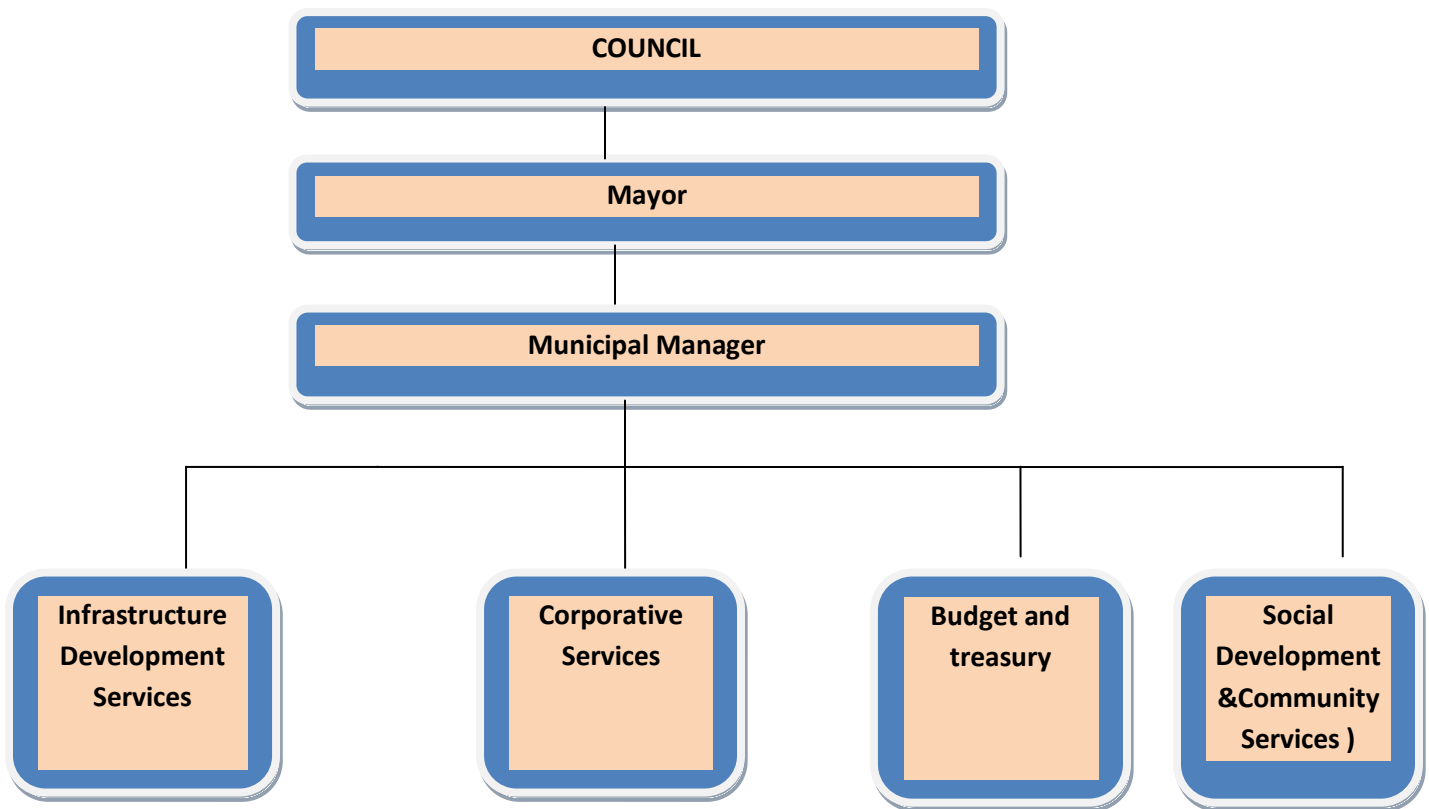
Table2.10, the building plans passed are as follows:

NEW DEVELOPMENT 1 JULY 2010	CATEGORY	APPLICATIONS OUTSTANDING 30 JUNE 2011	AMOUNT
89	Residential new/ Complex	01	R55 657.54
100	Residential additions	0	R17 713.24
05	Commercial	0	R3 674.60
01	Industrial	0	R402.85
04	Cellphone mast (Towers)	0	R1465.33
01	Churches	0	R371.92
01	Schools	0	R28 528.20
0	Offices	0	R00
04	Residential outbuilding	0	R1115.76
205	Total	0	R108 929.44

CHAPTER 3: HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

3.1. Organisational Structure

Council approved the current organizational structure in 2007. An alignment between the Integrated Development Plan and the Organisational Structure still needs to be improved to accommodate changes in priorities. The plans to review the organizational structure in view of the realities of internal audit and other divisions are afoot and will be concluded during the adjustments budget in 2011. The critical budgeted positions were filled during 2010/2011 Financial Year.



3.2. Staff Information

Department	Total number of budgeted posts	Number of filled posts	Number of vacancies
Office of the Municipal Manager	23	20	3
Budget and Treasury Office	22	11	4
Corporate Services	23	14	3

Infrastructure Development	90	82	8
Social Development and Community Services	69	59	10
TOTAL	225	182	28

3.3. Employment Equity

Workforce as at 30 June 2011

Employees									
Occupational Level	Male				Female				Total
	African	Colored	Indian	White	African	Colored	Indian	White	
Legislators	1	0	0	2	4	0	0	1	8
Directors & Corporate Managers	3	0	0	0	2	0	0	0	5
Middle Management	6	0	0	5	3	0	0	1	15
Professionals	5	0	0	1	3	0	0	0	9
Technicians & Trade Workers	2	0	0	3	1	0	0	0	6
Community & Personal Services	5	0	0	0	7	0	0	0	12
Clerical & Administrative	5	0	0	1	10	0	0	5	21
Machine Operators & Drivers	24	0	0	0	0	0	0	0	24
Labourers / Elementary Workers	58	1	0	4	22	0	0	0	85
Total	109	1	0	16	5	0	0	7	184

3.5. Skills Development Programme(WSP)

The Annual Training Report regarding the implementation of the Workplace Skills Plan was submitted to Local Government Sector Education and Training(LGSETA) on 30 June 2010.

3.6. Personnel expenditure

FINANCIAL YEAR	R000	% OF TOTAL EXPENDITURE
2008/09	R 25,608.813	
2009/10	R 33,100,879	
2010/2011		

3.7. Pension and Provident Fund

NAME OF FUND	NUMBER OF EMPLOYEES
OFFICIALS	
SAMWU National Provident Fund	N/A
Municipal Gratuity Fund	104
National Pension Fund for Municipal Workers (SALA pension fund)	7
National Pension Fund for Municipal Workers (NPFMW)	12
Municipal Employee Pension Fund	61
Government Employees Pension Fund	1
COUNCILLORS	NUMBER OF MEMBERS
Municipal Councillors Pension Fund	8

NB. Some of the staff members belong to both a Pension Fund and a Provident Fund.

3.8. Medical Funds

Name of medical fund	Number of members
Key Health	21
Bonitas	2
Hosmed	3
LA Health	12
SAMWUMED	31
Total	69

The Municipality's actual expenditure for 2010/11 in respect of employers contribution for both pension and medical aid amounted to R????

3.9. Arrears owed

No loans were granted for councilors and officials for the period under review.

Overtime paid

Financial years	Amounts R(0)
2009/2010	R 2,312,212
2010/2011	R 2,890,978

SARS and other mandatory obligations :	
2009/2010	Non compliant
2010/2011	Slightly compliant

3.10. Salary disclosure

3.10.1 Councillors

Councillor	2010/11
KS Lamola	546,505,78
NS Monyamane	450,582,75
Ms V Roothman	160,320.02
Mr H Pretorius	159,279.52
Ms RE Kgosana	158,961.65
Mr RM Kekana	192,869,68
Ms RL Seanago	158,961,65
Mr CJ Espach	159,850,85

List of new councillors as of 30 June 2011

Councillor	Amount
NS Monyamane	51,782,17
RM Kekana	33,659.47
MS Maphologela	14,574,50
LW Kola	14,574,50
MS Langa	14,574,50
E Boshoff	14,574,50
HP Louw	14,574,50
SP Mafuna	14,574,50
JH Kleinhans	14,574,50

Source: Budget %Treasury 4th quarter report

Over and above the salaries, full time councillors receive a monthly cell phone of **R1,425,00** whilst part time councilors receive a monthly cell phone allowance of R889.

3.10.2. Senior Management

Position	2010/11
Municipal Manager	774556.10
Chief Financial Officer	576325.20
Manager: Corporate Services	578962.00
Manager: Infrastructure Development	591361
Manager: Social Development and Community Services	625629.00

Over and above the senior managers receive a monthly cell phone allowance of R500,00 and Municipal Manager receive a monthly cell phone allowance of R1000,00.

Municipal Manager appointed	Yes
Municipal Manager signed performance contracts 2010/2011	Yes
CFO appointed	Yes
CFO signed performance contracts	Yes
Technical Manager appointed	Yes
Technical Manager signed performance Agreements	Yes
Total of section 56 Managers	5
Total number section 56 managers filled	5
Total number of section 56 managers vacant	0

In the third quarter of 2010/2011 Municipal Manager and Chief Financial Officer were suspended due to alleged maladministration.

3. 12 3. INFORMATION TECHNOLOGY SYSTEMS

The important role which technology in driving strategy of organizations cannot be taken for granted. In modern organizations an extensive use of information technology enables municipalities to create management information.

In terms of King 111 Report the IT governance and risks that go with it should be taken into consideration.

The municipality has 6 Information Systems of which all are fully utilized

SYSTEMS	TYPE OF SERVER	UTILIZATION %
Sebata Financial System	Financial Server	100
PayDay HR System	Financial Server	100
Collaborater	Electronic Document Management System	50
Windows Server 2003 R2	Used for authentication of users, Data Server	100
Webfocus	Reporting & analysis tool	100
Office 2007	Word, Excel, PowerPoint, Access, Project Management	100

2. 14. KEY CHALLENGES

3. KPA 1: Spatial Rationale

➤ **KPA 2: Basic Services & Infrastructure Development**

➤ **KPA 3: LED**

➤ **Not effective LED unit .**

➤ **Not enough budget for the LED unit .**

➤ **No projects for LED .**

➤ **KPA 4: Financial Viability and Management**

➤ **No revenue enhancement strategy.**

➤ **No five year financial plan .**

➤ **KPA 5: Public Participation & Good Governance**

➤ **KPA 6: Transformation and Organizational Development**

KEY SUCCESSES

CHAPTER 5: FUNCTIONAL AREA SERVICE DELIVERY REPORTING

5.1. Municipal service delivery assessment

Indicator	Baseline	Backlogs
% of household with access to basic level of water	100% of households have access to basic level of water	No backlogs
% of household with access to basic level of refuse removal	100% of households have access to basic level of refuse removal .	No backlogs
% of household with access to electricity	100% of households have access to basic level of electricity	No backlogs
% of household with access to sanitation .	89% of households have access to basic level of sanitation .	1217 households do not have access to basic level of sanitation.

5.2. Internal Departments

Function:	OFFICE OF THE MUNICIPAL MANAGERS OFFICE
Sub function:	Committee & Council , IGR & Protocol .
Reporting	Detail Level
Overview	Overall coordination of council activities

Description of the Activity.	•
	Strategic objectives : • To ensure effective intergovernmental relations between spheres of government. • To mainstream the disabled and gender functions of the municipality. • To ensure that Senior Managers implement Council Resolutions timeously and effectively.

Analysis of function	Number and cost to employer of all Executive Mayor's Office personnel	
	The total number of personnel employed	
	Total number of Councillors	8

	• Council Meetings ○ Ordinary ○ Special • Portfolio Committee Meetings ○ Budget & Treasury ○ Corporate Services ○ Local Economic Development ○ Infrastructure Development ○ Social &Community Services • Mayor's Forum • Chief Whip's Forum	20
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Key Performance Area	Performance during the Year
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	ACHIEVEMENTS
Good Governance and Public Participation	Approval of IDP/Budget on time
	Reviewed SDBIP internally
Special Programmes	Establishment of audit committee Resolution of 9/10 of Audit queries

Key Performance Area : Performance during the Year, Performance Targets Against Actual Achieved an Plans to Improve Performance	
Function : Office of the Municipal Manager	
Reporting level	Detail
Overview	The office of the Municipal Manager provides strategic support , deals with IDP/PMS issues and risk management , disaster management and internal auditing.
Description of the Activity	The main functions of the department are : • Strategic support & planning • Internal Audit

	• Communication • Local Economic Development • Youth Advisory
Sub-functions	Strategic objectives • To provide a sound municipal regulatory framework. • To promote management capacity in the municipal area. • To implement an effective PMS. • To establish an effective Internal Audit Unit.
Achievements	• Conducted performance reviews of Section 56 Manage • Highly credible IDP status • Provided support to other department. • Launched an Aids committee.
Function : Corporate Support	
Sub Function: Human Resources, Legal & Administration, Information & Communications Technology.	
Reporting Level	Detail
Overview	The Corporate Services provides internal support services to the municipality.
Description of the Activity	The main functions of the department (functional areas) are: • Human Resources Management • Legal • Administration • Information & Communication Technology
	Strategic objectives : • To ensure effective corporate services. • To review skills development plan. • To provide a safe and secure environment for staff and protect Council's assets. • To develop by-laws and policies.
	ACHIEVEMENTS • Resolution of Audit queries • Review delegation of process • Process of organisation • Reduce labour cases
Analysis of Function	Number and cost of employer of all municipal staff employed: • Professional (Managers/Specialists) • Field (Supervisors) • Office (Clerical/Administrative) • Non-professional

	• Temporary staff • Contract staff • TOTAL
	Key appointments and staff turnover during the year: Appointments Managers Assistant managers Senior officers TOTAL Staff turnover Managers Assistant managers Senior officers TOTAL
Function : Social Development and Community Services	
Reporting Level Detail	
Overview	The main focus is on prevention of spread of communicable diseases, investigation of reported cases, control of outbreaks, and compliance with legislation, and promoting integration of environmental management.
	• To provide the following services : • Law enforcement • Waste management • Refuse removal • Library Services • Parks • Cleansing • Cemetery • Sports ACHIEVEMENTS • 3rd position cleanest town competition

Function :	Technical Services
Sub Functions:	Water & Sanitation Roads & Stormwater Electricity Municipal Infrastructure Grant Programme
Reporting Level	Detail

Overview	Provision of technical support in ensuring that the services provided by the Municipality in realizing the strategic focus areas of Infrastructure Development are being done efficiently and effectively
Description of the Activity	Infrastructure Development Department is comprised of the following functional areas: 1. Water & Sanitation 2. Roads & Stormwater 3. Electricity
	Strategic objectives : • ACHIEVEMENTS • Co-ordination of the MIG Programme • Provide technical support to other department. • Partnership agreement entered into with sector department